



The Harwich Board of Selectmen submits the following budget message to the citizens of the town of Harwich to establish priorities for Fiscal Year 2022.

Selectmen require a budget that is at most 2% higher than FY2021; the starting point will be to develop a level funded budget to provide some relief to Harwich's taxpayers. It is recognized that some larger projects are forthcoming which required detailed and broad discussion to implement within this stated budget desire.

We fully understand the impact that previous borrowings have had on taxpayers. Taxpayers have yet to realize the full impact of bonding for current projects such as Cape Cod Technical High School, Phase Two of the Comprehensive Wastewater Management Plan, and the Saquatucket Harbor projects. Further, the Town is committed to additional work (resulting in more borrowing) for upcoming CWMP implementation phases. A Dennis/Harwich/Yarmouth Regional Sewer Plant is being discussed and analyzed. Although cost-savings is of paramount importance implementation of the CWMP is driven by our desire to avoid potential legal actions against Federal and State regulatory agencies which if pursued as threatened would greatly increase wastewater costs. We also strongly believe it is our duty to take action to protect the environment.

The COVID19 pandemic has profoundly affected both revenue and expenses. While local receipts were down approximately 12% from last year, the addition of two one-time payments (tornado and COVID-19 funds) total revenues were ~ 1.2% less than last year. Prudent budgeting directs us to plan based ongoing revenues not one-time revenues. Although we were able to hold expenses with a hiring freeze, delay of capital projects and other operational budget cuts it will be difficult to maintain these as the pandemic often increases service expenses and delay of capital projects are not always possible. Expected FY2022 fiscal restraints requires that every hire and expense be examined to minimize tax increases. Although delayed capital projects often increase future costs it is best to delay projects until economic growth and revenues have rebounded.

The Board realized even before the pandemic that budgets needed to be carefully examined to reduce future spending increases to a minimum to ensure financial sustainability. The pre-Pandemic budget forecasted a positive budget of ~ \$340,000 in FY2021 which then decreased over the five-year budget plan to a negative ~ \$2.7 M. This assumes annual 2.5% tax levy and \$300,000 growth increases. Clearly expenses need to be curtailed to avoid or minimize 2 ½ over-rides.

With the uncertainty surrounding the COVID-19 pandemic the Board will develop a conservative budget as a "worse-case" planning guide as it is easier to increase spending if additional revenues are available than to reduce promised spending.

Financial control will be difficult. We are proud of past infrastructure improvements through our wastewater initiatives; commitment to improve accessibility and safety to all members of our town by investing in water and landslide improvements at Saquatucket Harbor; support of Monomoy Regional School System; Cape Cod Regional Highschool and the quality of our roads. Investment in our

infrastructure signifies an investment and commitment to the future of Harwich. We have had at least ten years of growth and infrastructure improvements. COVID-19 related financial pressures call for a pause in infrastructure spending.

Financial control includes the careful vetting of any possible new hires, additional hours for part-time employees, revaluations, and overtime to be sure they are within budget limits or are documented to benefit or improve efficiencies of town operations. Funding sources must be identified. To help effectively manage department budgets we suggest the allocation of indirect costs to each department. It is necessary to review total department costs including those that are carried out by another department. The intent is to provide a better understanding of the total costs to operate each department.

The Board continues to face the difficult issue of an aging population and a dissolving younger population. We must continue to develop better strategies to assist our aging population to remain in place while simultaneously improving housing and job opportunities to maintain and attract a younger population. It is our duty to address the need for economic development, increased access to affordable and workforce housing since the youth are the future of Harwich. We understand the need to protect the quintessential New England flavor Harwich offers but must begin to focus internally on how to address zoning limitations that cause urban sprawl and the physical disconnection of our community.

Fundamentally, the Board's mission within financial constraints is to ensure public safety, upgrade and maintain the town's critical infrastructure, support our well respected school systems, advocate for additional housing, and ensure the local business community finds a welcoming environment all while ensuring we protect our proud heritage.

Harwich has had ten years growth but is currently in the midst of a pandemic. A portion of our taxpayers are struggling and losing businesses, families are having child-care issues and often are working fewer hours resulting in reduced pay. The board recognizes this and will be as fiscally responsible as possible.

Larry G Ballantine, Chairman

Stephen P. Ford, Vice Chairman

Michael D. MacAskill, Clerk

Donald F. Howell

Edward J. McManus